



General Assembly

Substitute Bill No. 6510

January Session, 2009

* _____HB06510ET_____031909_____*

AN ACT ESTABLISHING A PUBLIC POWER AUTHORITY.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 4-5 of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective October 1, 2009*):

3 As used in sections 4-6, 4-7 and 4-8, the term "department head"
4 means Secretary of the Office of Policy and Management,
5 Commissioner of Administrative Services, Commissioner of Revenue
6 Services, Banking Commissioner, Commissioner of Children and
7 Families, Commissioner of Consumer Protection, Commissioner of
8 Correction, Commissioner of Economic and Community Development,
9 State Board of Education, Commissioner of Emergency Management
10 and Homeland Security, Commissioner of Environmental Protection,
11 Commissioner of Agriculture, Commissioner of Public Health,
12 Insurance Commissioner, Labor Commissioner, Liquor Control
13 Commission, Commissioner of Mental Health and Addiction Services,
14 Commissioner of Public Safety, Commissioner of Social Services,
15 Commissioner of Developmental Services, Commissioner of Motor
16 Vehicles, Commissioner of Transportation, Commissioner of Public
17 Works, Commissioner of Veterans' Affairs, Commissioner of Health
18 Care Access, Chief Information Officer, the chairperson of the Public

19 Utilities Control Authority, the executive director of the Board of
20 Education and Services for the Blind, the chairperson of the
21 Connecticut Electric Authority, the executive director of the
22 Connecticut Commission on Culture and Tourism, the Ombudsman
23 for Property Rights and the executive director of the Office of Military
24 Affairs. As used in sections 4-6 and 4-7, "department head" also means
25 the Commissioner of Education.

26 Sec. 2. Section 1-120 of the general statutes is repealed and the
27 following is substituted in lieu thereof (*Effective October 1, 2009*):

28 As used in sections 1-120 to 1-123, inclusive:

29 (1) "Quasi-public agency" means the Connecticut Development
30 Authority, Connecticut Innovations, Incorporated, Connecticut Health
31 and Educational Facilities Authority, Connecticut Higher Education
32 Supplemental Loan Authority, Connecticut Housing Finance
33 Authority, Connecticut Housing Authority, Connecticut Resources
34 Recovery Authority, Capital City Economic Development Authority,
35 the Connecticut Electric Authority and Connecticut Lottery
36 Corporation.

37 (2) "Procedure" means each statement, by a quasi-public agency, of
38 general applicability, without regard to its designation, that
39 implements, interprets or prescribes law or policy, or describes the
40 organization or procedure of any such agency. The term includes the
41 amendment or repeal of a prior regulation, but does not include,
42 unless otherwise provided by any provision of the general statutes, (A)
43 statements concerning only the internal management of any agency
44 and not affecting procedures available to the public, and (B) intra-
45 agency memoranda.

46 (3) "Proposed procedure" means a proposal by a quasi-public
47 agency under the provisions of section 1-121 for a new procedure or
48 for a change in, addition to or repeal of an existing procedure.

49 Sec. 3. Subsection (l) of section 1-79 of the general statutes is

50 repealed and the following is substituted in lieu thereof (*Effective*
51 *October 1, 2009*):

52 (l) "Quasi-public agency" means the Connecticut Development
53 Authority, Connecticut Innovations, Incorporated, Connecticut Health
54 and Education Facilities Authority, Connecticut Higher Education
55 Supplemental Loan Authority, Connecticut Housing Finance
56 Authority, Connecticut Housing Authority, Connecticut Resources
57 Recovery Authority, Lower Fairfield County Convention Center
58 Authority, Capital City Economic Development Authority, the
59 Connecticut Electric Authority and Connecticut Lottery Corporation.

60 Sec. 4. (NEW) (*Effective October 1, 2009*) (a) There is established a
61 Connecticut Electric Authority, which shall consist of seven members:
62 (1) One with experience in electricity regulation appointed by the
63 president pro tempore of the Senate; (2) one with experience in
64 electricity generation appointed by the speaker of the House of
65 Representatives; (3) two with experience in electricity consumer issues
66 one each appointed by the majority leaders of the Senate and the
67 House of Representatives; (4) two with experience in electricity
68 conservation issues appointed by the minority leaders of the Senate
69 and the House of Representatives; and (5) the chairperson appointed
70 by the Governor pursuant to section 4-7 of the general statutes. The
71 members appointed pursuant to subdivisions (1) to (4), inclusive, of
72 this subsection shall serve two-year terms coterminous with the term
73 of the appointing authority. The chairperson of the Connecticut
74 Electric Authority shall serve a four-year term, coterminous with the
75 Governor's term, or, if said chairperson is appointed during the
76 Governor's term, the appointment shall be for the remainder of the
77 Governor's term.

78 (b) The Connecticut Electric Authority shall, in accordance with the
79 comprehensive plan approved pursuant to section 16a-3a of the
80 general statutes, (1) increase the state's energy independence by
81 promoting conservation and efficiency and the use of diverse
82 indigenous and regional electric resources; (2) encourage the use of

83 new electric technologies, particularly technologies that support
84 economic development in the state and promote environmental
85 sustainability; (3) minimize costs of electric services to state consumers
86 while maintaining reliable service; (4) discourage undue price
87 volatility of electric service; and (5) encourage competition, when in
88 the interests of state consumers. The authority may own and operate
89 electric power plants and may provide financial assistance, including
90 low-interest loans to encourage the development of necessary electric
91 generation facilities by the electric distribution companies or private
92 entities, provided electricity generated at such facilities shall be sold
93 for use by Connecticut consumers at cost of service with a reasonable
94 rate of return. The authority may enter into contracts with electricity
95 generators, suppliers and consumers and such other persons as
96 necessary to carry out the purposes of this section.

97 (c) The authority under the direction of the executive director may
98 hire personnel and adopt any policies for internal organization as
99 necessary and may contract with the Connecticut Municipal Electric
100 Energy Cooperative for administrative services.

101 (d) The authority may negotiate contracts with electricity generators
102 for the provision of electric generation services offered pursuant to
103 subsection (c) of section 16-244c of the general statutes, as amended by
104 this act. Such negotiation may be in connection with the provision of
105 financing or other assistance to an electricity generation services
106 supplier for the construction or reconstruction of a generation facility.
107 Such contracts shall be in the best interests of ratepayers and shall offer
108 a reduction in electricity costs to those consumers receiving electric
109 generation services pursuant to said subsection. The Department of
110 Public Utility Control shall review such contracts and shall approve a
111 contract if the department determines that such contracts are in the
112 best interests of ratepayers and reduce electricity costs to those
113 consumers receiving electric generation services pursuant to said
114 subsection. Upon the department's approval, an electric distribution
115 company shall enter into such contract with the approved electric
116 generation services supplier.

117 Sec. 5. Section 16a-3b of the general statutes is repealed and the
118 following is substituted in lieu thereof (*Effective October 1, 2009*):

119 (a) The [Department of Public Utility Control] Connecticut Electric
120 Authority shall oversee the implementation of the procurement plan
121 approved by the Department of Public Utility Control pursuant to
122 section 16a-3a. The electric distribution companies shall implement the
123 demand-side measures, including, but not limited to, energy
124 efficiency, load management, demand response, combined heat and
125 power facilities, distributed generation and other emerging energy
126 technologies, specified in said procurement plan through the
127 comprehensive conservation and load management plan prepared
128 pursuant to section 16-245m, as amended by this act, for review by the
129 Energy Conservation Management Board. The electric distribution
130 companies shall submit proposals to appropriate regulatory agencies
131 to address transmission and distribution upgrades as specified in said
132 procurement plan.

133 (b) If the procurement plan specifies the construction of a generating
134 facility, the [department] Connecticut Electric Authority shall develop
135 and issue a request for proposals, shall publish such request for
136 proposals in one or more newspapers or periodicals, as selected by the
137 [department] Connecticut Electric Authority, and shall post such
138 request for proposals on its web site. Pursuant to a nondisclosure
139 agreement, the [department] Connecticut Electric Authority shall make
140 available to the Office of Consumer Counsel and the Attorney General
141 all confidential bid information it receives pursuant to this subsection,
142 provided the bids and any analysis of such bids shall not be subject to
143 disclosure under the Freedom of Information Act. Three months after
144 the [department] Connecticut Electric Authority issues a final decision,
145 it shall make available all financial bid information, provided such
146 information regarding the bidders not selected be presented in a
147 manner that conceals the identities of such bidders.

148 (1) On and after July 1, 2008, an electric distribution company may
149 submit proposals in response to a request for proposals on the same

150 basis as other respondents to the solicitation. A proposal submitted by
151 an electric distribution company shall include its full projected costs
152 such that any project costs recovered from or defrayed by ratepayers
153 are included in the projected costs. An electric distribution company
154 submitting any such bid shall demonstrate to the satisfaction of the
155 [department] Connecticut Electric Authority that its bid is not
156 supported in any form of cross subsidization by affiliated entities. If
157 the [department] Connecticut Electric Authority approves such electric
158 distribution company's proposal, the costs and revenues of such
159 proposal shall not be included in calculating such company's earning
160 for purposes of, or in determining whether its rates are just and
161 reasonable under, sections 16-19, 16-19a and 16-19e, as amended by
162 this act. An electric distribution company shall not recover more than
163 the full costs identified in any approved proposal. Affiliates of the
164 electric distribution company may submit proposals pursuant to
165 section 16-244h, regulations adopted pursuant to section 16-244h and
166 other requirements the [department] Connecticut Electric Authority
167 may impose.

168 (2) If the [department] Connecticut Electric Authority selects a
169 nonelectric distribution company proposal, an electric distribution
170 company shall, within thirty days of the selection of a proposal by the
171 [department] Connecticut Electric Authority, negotiate in good faith
172 the final terms of a contract with a generating facility and shall apply
173 to the department for approval of such contract. Upon [department]
174 Connecticut Electric Authority approval, the electric distribution
175 company shall enter into such contract.

176 (3) The [department] Connecticut Electric Authority shall determine
177 the appropriate manner of cost recovery for proposals selected
178 pursuant to this section.

179 (4) The [department] Connecticut Electric Authority may retain the
180 services of a third-party entity with expertise in the area of energy
181 procurement to oversee the development of the request for proposals
182 and to assist the [department] Connecticut Electric Authority in its

183 approval of proposals pursuant to this section. The reasonable and
184 proper expenses for retaining such third-party entity shall be
185 recoverable through the generation services charge.

186 (c) The electric distribution companies shall issue requests for
187 proposals to acquire any other resource needs not identified in
188 subsection (a) or (b) of this section but specified in the procurement
189 plan approved by the Department of Public Utility Control pursuant to
190 section 16a-3a. Such requests for proposals shall be subject to approval
191 by the [department] Connecticut Electric Authority.

192 Sec. 6. Section 16a-3c of the general statutes is repealed and the
193 following is substituted in lieu thereof (*Effective October 1, 2009*):

194 (a) On and after July 1, 2009, if the [Department of Public Utility
195 Control] Connecticut Electric Authority does not receive and approve
196 proposals pursuant to the requests for proposals processes, pursuant
197 to section 16a-3b, as amended by this act, sufficient to reach the goal
198 set by the plan approved pursuant to section 16a-3a, the [department]
199 Connecticut Electric Authority may order an electric distribution
200 company to submit for the [department's] Connecticut Electric
201 Authority's review in a contested case proceeding, in accordance with
202 chapter 54, a proposal to build and operate an electric generation
203 facility in the state. An electric distribution company shall be eligible to
204 recover its prudently incurred costs consistent with the principles set
205 forth in section 16-19e, as amended by this act, for any generation
206 project approved pursuant to this section.

207 (b) On or before January 1, 2008, the [department] Connecticut
208 Electric Authority shall initiate a contested case proceeding to
209 determine the costs and benefits of the state serving as the builder of
210 last resort for the shortfall of megawatts from said request for proposal
211 process.

212 Sec. 7. Section 16-245m of the general statutes is repealed and the
213 following is substituted in lieu thereof (*Effective October 1, 2009*):

214 (a) (1) On and after January 1, 2000, the Department of Public Utility
215 Control shall assess or cause to be assessed a charge of three mills per
216 kilowatt hour of electricity sold to each end use customer of an electric
217 distribution company to be used to implement the program as
218 provided in this section for conservation and load management
219 programs but not for the amortization of costs incurred prior to July 1,
220 1997, for such conservation and load management programs.

221 (2) Notwithstanding the provisions of this section, receipts from
222 such charge shall be disbursed to the resources of the General Fund
223 during the period from July 1, 2003, to June 30, 2005, unless the
224 department shall, on or before October 30, 2003, issue a financing order
225 for each affected electric distribution company in accordance with
226 sections 16-245e to 16-245k, inclusive, to sustain funding of
227 conservation and load management programs by substituting an
228 equivalent amount, as determined by the department in such financing
229 order, of proceeds of rate reduction bonds for disbursement to the
230 resources of the General Fund during the period from July 1, 2003, to
231 June 30, 2005. The department may authorize in such financing order
232 the issuance of rate reduction bonds that substitute for disbursement to
233 the General Fund for receipts of both the charge under this subsection
234 and under subsection (b) of section 16-245n and also may, in its
235 discretion, authorize the issuance of rate reduction bonds under this
236 subsection and subsection (b) of section 16-245n that relate to more
237 than one electric distribution company. The department shall, in such
238 financing order or other appropriate order, offset any increase in the
239 competitive transition assessment necessary to pay principal,
240 premium, if any, interest and expenses of the issuance of such rate
241 reduction bonds by making an equivalent reduction to the charge
242 imposed under this subsection, provided any failure to offset all or any
243 portion of such increase in the competitive transition assessment shall
244 not affect the need to implement the full amount of such increase as
245 required by this subsection and by sections 16-245e to 16-245k,
246 inclusive. Such financing order shall also provide if the rate reduction
247 bonds are not issued, any unrecovered funds expended and committed

248 by the electric distribution companies for conservation and load
249 management programs, provided such expenditures were approved
250 by the department after August 20, 2003, and prior to the date of
251 determination that the rate reduction bonds cannot be issued, shall be
252 recovered by the companies from their respective competitive
253 transition assessment or systems benefits charge but such expenditures
254 shall not exceed four million dollars per month. All receipts from the
255 remaining charge imposed under this subsection, after reduction of
256 such charge to offset the increase in the competitive transition
257 assessment as provided in this subsection, shall be disbursed to the
258 Energy Conservation and Load Management Fund commencing as of
259 July 1, 2003. Any increase in the competitive transition assessment or
260 decrease in the conservation and load management component of an
261 electric distribution company's rates resulting from the issuance of or
262 obligations under rate reduction bonds shall be included as rate
263 adjustments on customer bills.

264 (b) The electric distribution company shall establish an Energy
265 Conservation and Load Management Fund which shall be held
266 separate and apart from all other funds or accounts. Receipts from the
267 charge imposed under subsection (a) of this section shall be deposited
268 into the fund. Any balance remaining in the fund at the end of any
269 fiscal year shall be carried forward in the fiscal year next succeeding.
270 Disbursements from the fund by electric distribution companies to
271 carry out the plan developed under subsection (d) of this section shall
272 be authorized by the [Department of Public Utility Control]
273 Connecticut Electric Authority upon its approval of such plan.

274 (c) [The Department of Public Utility Control] On or after October 1,
275 2009, the Connecticut Electric Authority shall appoint and convene an
276 Energy Conservation Management Board which shall include
277 representatives of: (1) An environmental group knowledgeable in
278 energy conservation program collaboratives; (2) the Office of
279 Consumer Counsel; (3) the Attorney General; (4) the Department of
280 Environmental Protection; (5) the electric distribution companies in
281 whose territories the activities take place for such programs; (6) a state-

282 wide manufacturing association; (7) a chamber of commerce; (8) a
283 state-wide business association; (9) a state-wide retail organization;
284 (10) a representative of a municipal electric energy cooperative created
285 pursuant to chapter 101a; (11) two representatives selected by the gas
286 companies in this state; and (12) residential customers. Such members
287 shall serve for a period of five years and may be reappointed.
288 Representatives of the gas companies shall not vote on matters
289 unrelated to gas conservation. Representatives of the electric
290 distribution companies and the municipal electric energy cooperative
291 shall not vote on matters unrelated to electricity conservation.

292 (d) (1) The Energy Conservation Management Board shall advise
293 and assist the electric distribution companies in the development and
294 implementation of a comprehensive plan, which plan shall be
295 approved by the [Department of Public Utility Control] Connecticut
296 Electric Authority, to implement cost-effective energy conservation
297 programs and market transformation initiatives. The plan shall contain
298 specific goals for reducing electricity use in the state that shall be
299 consistent with such comprehensive plan and shall include an estimate
300 of the systemic savings that will be achieved if such goals are met.
301 Such systemic savings shall be no less than the total commitment of
302 funds under this section over the period covered by the plan. Each
303 program contained in the plan shall be reviewed by the electric
304 distribution company and either accepted or rejected by the Energy
305 Conservation Management Board prior to submission to the
306 department for approval. The Energy Conservation Management
307 Board shall, as part of its review, examine opportunities to offer joint
308 programs providing similar efficiency measures that save more than
309 one fuel resource or otherwise to coordinate programs targeted at
310 saving more than one fuel resource. Any costs for joint programs shall
311 be allocated equitably among the conservation programs. The Energy
312 Conservation Management Board shall give preference to projects that
313 maximize the reduction of federally mandated congestion charges. The
314 [Department of Public Utility Control] Connecticut Electric Authority
315 shall, in an uncontested proceeding during which the [department]

316 authority may hold a public hearing, approve, modify or reject the
317 comprehensive plan prepared pursuant to this subsection.

318 (2) There shall be a joint committee of the Energy Conservation
319 Management Board and the Renewable Energy Investments Board.
320 The board and the advisory committee shall each appoint members to
321 such joint committee. The joint committee shall examine opportunities
322 to coordinate the programs and activities funded by the Renewable
323 Energy Investment Fund pursuant to section 16-245n with the
324 programs and activities contained in the plan developed under this
325 subsection to reduce the long-term cost, environmental impacts and
326 security risks of energy in the state. Such joint committee shall hold its
327 first meeting on or before August 1, 2005.

328 (3) Programs included in the plan developed under subdivision (1)
329 of this subsection shall be screened through cost-effectiveness testing
330 which compares the value and payback period of program benefits to
331 program costs to ensure that programs are designed to obtain energy
332 savings and system benefits, including mitigation of federally
333 mandated congestion charges, whose value is greater than the costs of
334 the programs. Cost-effectiveness testing shall utilize available
335 information obtained from real-time monitoring systems to ensure
336 accurate validation and verification of energy use. Such testing shall
337 include an analysis of the effects of investments on increasing the
338 state's load factor. Program cost-effectiveness shall be reviewed
339 annually, or otherwise as is practicable. If a program is determined to
340 fail the cost-effectiveness test as part of the review process, it shall
341 either be modified to meet the test or shall be terminated. On or before
342 March 1, 2005, and on or before March first annually thereafter, the
343 board shall provide a report, in accordance with the provisions of
344 section 11-4a, to the joint standing committees of the General
345 Assembly having cognizance of matters relating to energy and the
346 environment (A) that documents expenditures and fund balances and
347 evaluates the cost-effectiveness of such programs conducted in the
348 preceding year, and (B) that documents the extent to and manner in
349 which the programs of such board collaborated and cooperated with

350 programs, established under section 7-233y, of municipal electric
351 energy cooperatives. To maximize the reduction of federally mandated
352 congestion charges, programs in the plan may allow for
353 disproportionate allocations between the amount of contributions to
354 the Energy Conservation and Load Management Funds by a certain
355 rate class and the programs that benefit such a rate class. Before
356 conducting such evaluation, the board shall consult with the
357 Renewable Energy Investments Board. The report shall include a
358 description of the activities undertaken during the reporting period
359 jointly or in collaboration with the Renewable Energy Investment
360 Fund established pursuant to subsection (c) of section 16-245n.

361 (4) Programs included in the plan developed under subdivision (1)
362 of this subsection may include, but not be limited to: (A) Conservation
363 and load management programs, including programs that benefit low-
364 income individuals; (B) research, development and commercialization
365 of products or processes which are more energy-efficient than those
366 generally available; (C) development of markets for such products and
367 processes; (D) support for energy use assessment, real-time monitoring
368 systems, engineering studies and services related to new construction
369 or major building renovation; (E) the design, manufacture,
370 commercialization and purchase of energy-efficient appliances and
371 heating, air conditioning and lighting devices; (F) program planning
372 and evaluation; (G) indoor air quality programs relating to energy
373 conservation; (H) joint fuel conservation initiatives programs targeted
374 at reducing consumption of more than one fuel resource; (I) public
375 education regarding conservation; and (J) the demand-side technology
376 programs recommended by the procurement plan approved by the
377 Department of Public Utility Control pursuant to section 16a-3a. Such
378 support may be by direct funding, manufacturers' rebates, sale price
379 and loan subsidies, leases and promotional and educational activities.
380 The plan shall also provide for expenditures by the Energy
381 Conservation Management Board for the retention of expert
382 consultants and reasonable administrative costs provided such
383 consultants shall not be employed by, or have any contractual

384 relationship with, an electric distribution company. Such costs shall
385 not exceed five per cent of the total revenue collected from the
386 assessment.

387 (e) Notwithstanding the provisions of subsections (a) to (d),
388 inclusive, of this section, the Department of Public Utility Control shall
389 authorize the disbursement of a total of one million dollars in each
390 month, commencing with July, 2003, and ending with July, 2005, from
391 the Energy Conservation and Load Management Funds established
392 pursuant to said subsections. The amount disbursed from each Energy
393 Conservation and Load Management Fund shall be proportionately
394 based on the receipts received by each fund. Such disbursements shall
395 be deposited in the General Fund.

396 (f) No later than December 31, 2006, and no later than December
397 thirty-first every five years thereafter, the Energy Conservation
398 Management Board shall, after consulting with the Renewable Energy
399 Investments Board, conduct an evaluation of the performance of the
400 programs and activities of the fund and submit a report, in accordance
401 with the provisions of section 11-4a, of the evaluation to the joint
402 standing committee of the General Assembly having cognizance of
403 matters relating to energy.

404 (g) Repealed by P.A. 06-186, S. 91, effective July 1, 2006.

405 Sec. 8. Section 16-245l of the general statutes is repealed and the
406 following is substituted in lieu thereof (*Effective October 1, 2009*):

407 (a) The Department of Public Utility Control, in consultation with
408 the Connecticut Electric Authority, shall establish and each electric
409 distribution company shall collect a systems benefits charge to be
410 imposed against all end use customers of each electric distribution
411 company beginning January 1, 2000. The department shall hold a
412 hearing that shall be conducted as a contested case in accordance with
413 chapter 54 to establish the amount of the systems benefits charge. The
414 department may revise the systems benefits charge or any element of
415 said charge as the need arises. The systems benefits charge shall be

416 used to fund (1) the expenses of the public education outreach
417 program developed under subsections (a), (f) and (g) of section 16-
418 244d other than expenses for department staff, (2) the reasonable and
419 proper expenses of the education outreach consultant pursuant to
420 subsection (d) of section 16-244d, (3) the cost of hardship protection
421 measures under sections 16-262c, as amended by this act, and 16-262d
422 and other hardship protections, including, but not limited to, electric
423 service bill payment programs, funding and technical support for
424 energy assistance, fuel bank and weatherization programs and
425 weatherization services, (4) the payment program to offset tax losses
426 described in section 12-94d, (5) any sums paid to a resource recovery
427 authority pursuant to subsection (b) of section 16-243e, (6) low income
428 conservation programs approved by the Department of Public Utility
429 Control, (7) displaced worker protection costs, (8) unfunded storage
430 and disposal costs for spent nuclear fuel generated before January 1,
431 2000, approved by the appropriate regulatory agencies, (9)
432 postretirement safe shutdown and site protection costs that are
433 incurred in preparation for decommissioning, (10) decommissioning
434 fund contributions, (11) the costs of temporary electric generation
435 facilities incurred pursuant to section 16-19ss, (12) operating expenses
436 for the Connecticut Electric Authority and the Connecticut Energy
437 Advisory Board, (13) costs associated with the Connecticut electric
438 efficiency partner program established pursuant to section 16-243v,
439 (14) reinvestments and investments in energy efficiency programs and
440 technologies pursuant to section 16a-38l, costs associated with the
441 electricity conservation incentive program established pursuant to
442 section 119 of public act 07-242*, and (15) legal, appraisal and purchase
443 costs of a conservation or land use restriction and other related costs as
444 the department in its discretion deems appropriate, incurred by a
445 municipality on or before January 1, 2000, to ensure the environmental,
446 recreational and scenic preservation of any reservoir located within
447 this state created by a pump storage hydroelectric generating facility.
448 As used in this subsection, "displaced worker protection costs" means
449 the reasonable costs incurred, prior to January 1, 2008, (A) by an
450 electric supplier, exempt wholesale generator, electric company, an

451 operator of a nuclear power generating facility in this state or a
452 generation entity or affiliate arising from the dislocation of any
453 employee other than an officer, provided such dislocation is a result of
454 (i) restructuring of the electric generation market and such dislocation
455 occurs on or after July 1, 1998, or (ii) the closing of a Title IV source or
456 an exempt wholesale generator, as defined in 15 USC 79z-5a, on or
457 after January 1, 2004, as a result of such source's failure to meet
458 requirements imposed as a result of sections 22a-197 and 22a-198, as
459 amended by this act, and this section or those Regulations of
460 Connecticut State Agencies adopted by the Department of
461 Environmental Protection, as amended from time to time, in
462 accordance with Executive Order Number 19, issued on May 17, 2000,
463 and provided further such costs result from either the execution of
464 agreements reached through collective bargaining for union
465 employees or from the company's or entity's or affiliate's programs
466 and policies for nonunion employees, and (B) by an electric
467 distribution company or an exempt wholesale generator arising from
468 the retraining of a former employee of an unaffiliated exempt
469 wholesale generator, which employee was involuntarily dislocated on
470 or after January 1, 2004, from such wholesale generator, except for
471 cause. "Displaced worker protection costs" includes costs incurred or
472 projected for severance, retraining, early retirement, outplacement,
473 coverage for surviving spouse insurance benefits and related expenses.
474 "Displaced worker protection costs" does not include those costs
475 included in determining a tax credit pursuant to section 12-217bb.

476 (b) The amount of the systems benefits charge shall be determined
477 by the department in a general and equitable manner and shall be
478 imposed on all end use customers of each electric distribution
479 company at a rate that is applied equally to all customers of the same
480 class in accordance with methods of allocation in effect on July 1, 1998,
481 provided the system benefits charge shall not be imposed on
482 customers receiving services under a special contract which is in effect
483 on July 1, 1998, until such special contracts expire. The system benefits
484 charge shall be imposed beginning on January 1, 2000, on all customers

485 receiving services under a special contract which are entered into or
486 renewed after July 1, 1998. The systems benefits charge shall have a
487 generally applicable manner of determination that may be measured
488 on the basis of percentages of total costs of retail sales of generation
489 services. The systems benefits charge shall be payable on an equal
490 basis on the same payment terms and shall be eligible or subject to
491 prepayment on an equal basis. Any exemption of the systems benefits
492 charge by customers under a special contract shall not result in an
493 increase in rates to any customer.

494 Sec. 9. (NEW) (*Effective October 1, 2009*) (a) Subject to the approval of
495 the Treasurer or the Deputy Treasurer appointed pursuant to section 3-
496 12 of the general statutes, and other applicable limitations of the
497 Connecticut Electric Authority, the authority may borrow money and
498 issue its bonds and notes from time to time and use the proceeds
499 thereof for the purposes of the authority, as provided in section 4 of
500 this act. All such bonds issued by the authority, secured by a special
501 capital reserve fund within the meaning of subsection (b) of section 13
502 of this act, shall be general obligations of the authority payable out of
503 any revenues or other receipts, funds or moneys of the authority,
504 subject only to any agreements with the holders of particular notes or
505 bonds pledging any particular revenues, receipts, funds or moneys,
506 provided the authority may issue general obligation bonds of the
507 authority without the security of a special capital reserve fund. Any
508 other such bonds or notes not issued in anticipation of the issuance of
509 bonds referred to in the preceding sentence shall be special obligations
510 of the authority payable solely out of any revenues or other receipts,
511 funds or moneys of the authority pledged therefore. All such notes and
512 bonds may be executed and delivered in such manner and at such
513 times, in such form and denominations and of such tenor and maturity
514 or maturities, in bearer or registered form, as to principal and interest
515 or as to principal alone, may be payable at such time or times not
516 exceeding forty years from the date thereof, may be payable at such
517 place or places whether within or without the state, may bear interest
518 at such rate or rates payable at such time or times and at such place or

519 places and evidenced in such manner, and may contain such
520 provisions not inconsistent with sections 9 to 14, inclusive, of this act,
521 as shall be provided in the resolution of the authority authorizing the
522 issuance of the bonds and notes.

523 (b) Issuance by the authority of one or more series of bonds or notes
524 for one or more purposes shall not preclude it from issuing other
525 bonds or notes in connection with the same project or any other
526 projects, but the proceeding wherein any subsequent bonds or notes
527 may be issued shall recognize and protect any prior pledge or
528 mortgage made for any prior issue of bonds or notes unless in the
529 resolution authorizing such prior issue the right is reserved to issue
530 subsequent bonds on a parity with such prior issue.

531 (c) Subject to the approval of the Treasurer or the Deputy Treasurer
532 appointed pursuant to section 3-12 of the general statutes, any bonds
533 or notes of the authority may be sold at such price or prices, at public
534 or private sale, in such manner and from time to time as may be
535 determined by the authority, and the authority may pay all expenses,
536 premiums and commissions it may deem necessary or advantageous
537 in connection with the issuance and sale thereof; and any moneys of
538 the authority, including proceeds from the sale of any bonds and
539 notes, and revenues, receipts and income from any of its projects, may
540 be invested and reinvested in such obligations, securities and other
541 investments, including time deposits or certificates of deposit, or
542 deposited or redeposited in such bank or banks as shall be provided in
543 the resolution or resolutions authorizing the issuance of the bonds and
544 notes.

545 (d) The authority may issue its bonds for the purpose of refunding
546 any bonds of the authority then outstanding, including the payment of
547 any redemption premium thereon and any interest accrued or to
548 accrue to the earliest or subsequent date of redemption, purchase or
549 maturity of such bonds, and, if deemed advisable by the authority, for
550 the additional purpose of paying all or any part of the cost of
551 constructing and acquiring additions, improvements, extensions or

552 enlargements of a project or any portion thereof. The proceeds of any
553 such bonds issued for the purpose of refunding outstanding bonds
554 may, in the discretion of the authority, be applied to the purchase or
555 retirement at maturity or redemption of such outstanding bonds either
556 on their earliest or any subsequent redemption date, and may, pending
557 such application, be placed in escrow to be applied to such purchase or
558 retirement at maturity or redemption on such date as may be
559 determined by the authority.

560 (e) Whether or not the bonds or notes are of such form and character
561 as to be negotiable instruments under article 8 of title 42a of the
562 general statutes, the bonds or notes shall be and are hereby made
563 negotiable instruments within the meaning of and for all the purposes
564 of article 8 of said title 42a, subject only to the provisions of the bonds
565 or notes for registration.

566 (f) The principal of and interest on bonds or notes issued by the
567 authority may be secured by a pledge of any revenues and receipts of
568 the authority derived from any project and may be additionally
569 secured by a mortgage or deed of trust covering all or any part of a
570 project, including any additions, improvements, extensions to or
571 enlargements of any projects thereafter made. Such bonds or notes
572 may also be secured by a pledge or assignment of a loan agreement,
573 conditional sale agreement or agreement of sale or by an assignment of
574 the lease of any project for the construction and acquisition of which
575 said bonds or notes are issued and by an assignment of the revenues
576 and receipts derived by the authority from such project. The payments
577 of principal and interest on such bonds or notes may be additionally
578 secured by a pledge of any other property, revenues, moneys or funds
579 available to the authority for such purpose. The resolution authorizing
580 the issuance of any such bonds or notes and any such mortgage or
581 deed of trust or lease or loan agreement, conditional sale agreement or
582 agreement of sale or credit agreement may contain agreements and
583 provisions respecting the establishment of reserves to secure such
584 bonds or notes, the maintenance and insurance of the projects covered
585 thereby, the fixing and collection of rents for any portion thereof leased

586 by the authority to others or the sums to be paid under any conditional
587 sale agreement or agreement of sale entered into by the authority with
588 others, the creation and maintenance of special funds from such
589 revenues and the rights and remedies available in the event of default,
590 the vesting in a trustee or trustees of such property, rights, powers and
591 duties in trust as the authority may determine, which may include any
592 or all of the rights, powers and duties of any trustee appointed by the
593 holders of any bonds and notes and limiting or abrogating the right of
594 the holders of any bonds and notes of the authority to appoint a trustee
595 under the provisions of sections 9 to 14, inclusive, of this act, or
596 limiting the rights, powers and duties of such trustee; provision for a
597 trust agreement by and between the authority and a corporate trust
598 which may be any trust company or bank having the powers of a trust
599 company within or without the state, which agreement may provide
600 for the pledging or assigning of any revenues or assets or income from
601 assets to which or in which the authority has any rights or interest, and
602 may further provide for such other rights and remedies exercisable by
603 the trustee as may be proper for the protection of the holders of any
604 bonds or notes and not otherwise in violation of law, and such
605 agreement may provide for the restriction of the rights of any
606 individual holder of bonds or notes of the authority and may contain
607 any further provisions which are reasonable to delineate further the
608 respective rights, duties, safeguards, responsibilities and liabilities of
609 the authority; persons and collective holders of bonds or notes of the
610 authority and the trustee; and covenants to do or refrain from doing
611 such acts and things as may be necessary or convenient or desirable in
612 order to better secure any bonds or notes of the authority, or which, in
613 the discretion of the authority, will tend to make any bonds or notes to
614 be issued more marketable notwithstanding that such covenants, acts
615 or things may not be enumerated herein; and any other matters of like
616 or different character, which in any way affect the security or
617 protection of the bonds or notes, all as the authority shall deem
618 advisable and not in conflict with the provisions hereof. Each pledge,
619 agreement, mortgage and deed of trust made for the benefit or security
620 of any of the bonds or notes of the authority shall be in effect until the

621 principal of and interest on the bonds or notes for the benefit of which
622 the same were made have been fully paid, or until provision has been
623 made for payment in the manner provided in the resolution or
624 resolutions authorizing their issuance. Any pledge made in respect of
625 such bonds or notes shall be valid and binding from the time when the
626 pledge is made; the revenues, money or property so pledged and
627 thereafter received by the authority shall immediately be subject to the
628 lien of such pledge without any physical delivery thereof or further
629 act; and the lien of any such pledge shall be valid and binding as
630 against all parties having claims of any kind in tort, contract or
631 otherwise against the authority irrespective of whether such parties
632 have notice thereof. Neither the resolution, trust indenture nor any
633 other instrument by which a pledge is created need be recorded. The
634 resolution authorizing the issuance of such bonds or notes may
635 provide for the enforcement of any such pledge or security in any
636 lawful manner. The authority may elect to have the provisions of title
637 42a of the general statutes, the Connecticut Uniform Commercial Code,
638 apply to any pledge made by or to the authority to secure its bonds or
639 notes by filing a financing statement with respect to the security
640 interest created by the pledge and, in such case, the financing
641 statement shall be filed as if the debtor were located in this state.

642 (g) The authority may provide in any resolution authorizing the
643 issuance of bonds or notes that any project or part thereof or any
644 addition, improvement, extension or enlargement thereof, may be
645 constructed by the authority or the lessee or any designee of the
646 authority, and may also provide in such proceedings for the time and
647 manner of and requisites for disbursements to be made for the cost of
648 such construction and disbursements as the authority shall deem
649 necessary or appropriate.

650 (h) The authority is further authorized and empowered to issue
651 bonds, notes or other obligations under this section, the interest on
652 which may be includable in the gross income of the holder or holders
653 thereof under the Internal Revenue Code of 1986, or any subsequent
654 corresponding internal revenue code of the United States, as from time

655 to time amended, to the same extent and in the same manner that
656 interest on bills, notes, bonds or other obligations of the United States
657 is includable in the gross income of the holder or holders thereof under
658 any such internal revenue code. Any such bonds, notes or other
659 obligations may be issued only upon a finding by the authority that
660 such issuance is necessary, is in the public interest, and is in
661 furtherance of the purposes and powers of the authority. The state
662 hereby consents to such inclusion only for the bonds, notes or other
663 obligations of the authority so authorized.

664 Sec. 10. (NEW) (*Effective October 1, 2009*) (a) Except as provided in
665 subsection (b) of this section, all moneys of the Connecticut Electric
666 Authority, from whatever source derived, shall be paid to the
667 Treasurer as agent of the authority, who shall not commingle such
668 moneys with any other moneys. The Treasurer shall deposit such
669 moneys in a separate bank account or accounts. The moneys in such
670 accounts shall be paid by checks signed by the Treasurer or the Deputy
671 Treasurer appointed pursuant to section 3-12 of the general statutes, on
672 requisition of the chairperson or of such other officer or employee of
673 the authority as the authority shall authorize to make such requisition.
674 Notwithstanding the foregoing, the authority shall have power, subject
675 to the approval of the Treasurer or the Deputy Treasurer appointed
676 pursuant to said section 3-12, to contract with the holders of any of its
677 bonds or notes, as to the custody, collection, securing, investment and
678 payment of any moneys of the authority, or of any moneys held in
679 trust or otherwise for the payment of bonds or notes, and to carry out
680 such contracts. All moneys received pursuant to the authority of the
681 authority legislation pursuant to sections 9 to 14, inclusive, of this act
682 whether as proceeds from the sale of bonds or as revenues, receipts or
683 income, shall be deemed to be trust funds to be held and applied solely
684 as provided in said authority legislation and in the resolutions
685 authorizing the issuance of the bonds or notes. Any officer with whom,
686 or any bank or trust company with which, such moneys shall be
687 deposited as trustee thereof shall hold and apply the same for the
688 purposes thereof, subject to said provisions of the authority and the

689 resolution authorizing the issuance of bonds or notes or the trust
690 agreement securing such bonds or notes may provide.

691 (b) Any funds or revenues of the authority derived from application
692 fees, commitment fees or other fees or charges levied by the authority
693 in connection with its insurance and loan programs, any investment
694 income derived from funds held in trust or otherwise, which income is
695 not pledged to the payment of bonds or notes of the authority and any
696 other income of the authority from whatever source derived that is
697 available for the payment of authority expenses and any proceeds of
698 the foregoing shall be held, administered and invested by the authority
699 or deposited with and invested by such institution, trustee, fiduciary
700 or other custodian as may be designated by the authority and paid as
701 the authority shall direct.

702 Sec. 11. (NEW) (*Effective October 1, 2009*) The exercise of the powers
703 granted to the Connecticut Electric Authority in sections 9 to 14,
704 inclusive, of this act shall constitute the performance of an essential
705 governmental function and the authority shall not be required to pay
706 any taxes or assessments upon or in respect of a project, or any
707 property or moneys of the authority, levied by any municipality or
708 political subdivision or special district having taxing powers of the
709 state, nor shall the authority be required to pay state taxes of any kind,
710 and the authority, its projects, property and moneys and any bonds
711 and notes issued under the provisions of said sections, their transfer
712 and the income therefrom, including any profit made on the sale
713 thereof, shall at all times be free from taxation of every kind by the
714 state and by the municipalities and all other political subdivisions or
715 special districts having taxing powers of the state; provided any
716 person leasing a project from the authority shall pay to the
717 municipality, or other political subdivision or special district having
718 taxing powers, in which such project is located, a payment in lieu of
719 taxes which shall equal the taxes on real and personal property,
720 including water and sewer assessments, which such lessee would have
721 been required to pay had it been the owner of such property during
722 the period for which such payment is made and neither the authority

723 nor its projects, properties, money or bonds and notes shall be
724 obligated, liable or subject to lien of any kind for the enforcement,
725 collection or payment thereof. The sale of tangible personal property or
726 services by the authority is exempt from the sales tax under chapter
727 219 of the general statutes, and the storage, use or other consumption
728 in this state of tangible personal property or services purchased from
729 the authority is exempt from the use tax under said chapter 219. If and
730 to the extent the proceedings under which the bonds authorized to be
731 issued under the provisions of sections 9 to 14, inclusive, of this act so
732 provide, the authority may agree to cooperate with the lessee of a
733 project in connection with any administrative or judicial proceedings
734 for determining the validity or amount of such payments and may
735 agree to appoint or designate and reserve the right in and for such
736 lessee to take all action which the authority may lawfully take in
737 respect of such payments and all matters relating thereto, provided
738 such lessee shall bear and pay all costs and expenses of the authority
739 thereby incurred at the request of such lessee or by reason of any such
740 action taken by such lessee in behalf of the authority. Any lessee of a
741 project which has paid the amounts in lieu of taxes required by this
742 section to be paid shall not be required to pay any such taxes in which
743 a payment in lieu thereof has been made to the state or to any such
744 municipality or other political subdivision or special district having
745 taxing powers, any other statute to the contrary notwithstanding.

746 Sec. 12. (NEW) (*Effective October 1, 2009*) Bonds issued by the
747 Connecticut Electric Authority are hereby made securities in which all
748 public officers and public bodies of the state and its political
749 subdivisions, all insurance companies, credit unions, building and loan
750 associations, investment companies, savings banks, banking
751 associations, trust companies, executors, administrators, trustees and
752 other fiduciaries and pension, profit-sharing and retirement funds may
753 properly and legally invest funds, including capital in their control or
754 belonging to them. Such bonds are hereby made securities which may
755 properly and legally be deposited with and received by any state or
756 municipal officer or any agency or municipality of the state for any

757 purpose for which the deposit of bonds or obligations of the state is
758 now or may hereafter be authorized by law.

759 Sec. 13. (NEW) (*Effective October 1, 2009*) (a) Bonds or notes issued
760 by the Connecticut Electric Authority shall not be deemed to constitute
761 a debt or liability of the state or of any municipality thereof or a pledge
762 of the faith and credit of the state or of any such municipality and shall
763 not constitute bonds or notes issued or guaranteed by the state within
764 the meaning of section 3-21 of the general statutes, but shall be payable
765 solely from the revenues and funds herein provided for pursuant to
766 sections 9 to 14, inclusive, of this act. All such bonds or notes shall
767 contain on the face thereof a statement to the effect that neither the
768 state nor any municipality thereof other than the authority shall be
769 obligated to pay the same or the interest thereon and that neither the
770 faith and credit nor the taxing power of the state or of any municipality
771 is pledged to the payment of the principal of or the interest on such
772 bonds or notes.

773 (b) The authority may create and establish one or more reserve
774 funds to be known as special capital reserve funds and may pay into
775 such special capital reserve funds (1) any moneys appropriated and
776 made available by the state for the purposes of such funds, (2) any
777 proceeds of sale of notes or bonds, to the extent provided in the
778 resolution of the authority authorizing the issuance thereof, and (3)
779 any other moneys which may be made available to the authority for
780 the purpose of such funds from any other source or sources. The
781 moneys held in or credited to any special capital reserve fund
782 established under this section, except as hereinafter provided, shall be
783 used solely for the payment of the principal of bonds of the authority
784 secured by such special capital reserve fund as the same become due,
785 the purchase of such bonds of the authority, the payment of interest on
786 such bonds of the authority or the payment of any redemption
787 premium required to be paid when such bonds are redeemed before
788 maturity; provided the authority shall have power to provide that
789 moneys in any such fund shall not be withdrawn therefrom at any
790 time in such amount as would reduce the amount of such funds to less

791 than the maximum amount of principal and interest becoming due by
792 reason of maturity or a required sinking fund installment in the
793 succeeding calendar year on the bonds of the authority then
794 outstanding and secured by such special capital reserve fund or such
795 lesser amount specified by the authority in its resolution authorizing
796 the issuance of any such bonds, such amount being herein referred to
797 as the "required minimum capital reserve", except for the purpose of
798 paying such principal of, redemption premium and interest on such
799 bonds of the authority secured by such special capital reserve
800 becoming due and for the payment of which other moneys of the
801 authority are not available. The authority may provide that it shall not
802 issue bonds at any time if the required minimum capital reserve on the
803 bonds outstanding and the bonds then to be issued and secured by a
804 special capital reserve fund will exceed the amount of such special
805 capital reserve fund at the time of issuance, unless the authority, at the
806 time of the issuance of such bonds, shall deposit in such special capital
807 reserve fund from the proceeds of the bonds so to be issued, or
808 otherwise, an amount which, together with the amount then in such
809 special capital reserve fund, will be not less than the required
810 minimum capital reserve. On or before December first, annually, there
811 is deemed to be appropriated from the General Fund such sums, if
812 any, as shall be certified by the chairperson of the Connecticut Electric
813 Authority to the Secretary of the Office of Policy and Management and
814 State Treasurer, as necessary to restore each such special capital
815 reserve fund to the amount equal to the required minimum capital
816 reserve of such fund, and such amounts shall be allotted and paid to
817 the authority. For the purpose of evaluation of any such special capital
818 reserve fund, obligations acquired as an investment for any such fund
819 shall be valued at amortized cost. Nothing contained in this section
820 shall preclude the authority from establishing and creating other debt
821 service reserve funds in connection with the issuance of bonds or notes
822 of the authority. Subject to any agreement or agreements with holders
823 of outstanding notes and bonds of the authority, any amount or
824 amounts allotted and paid to the authority by the state pursuant to this
825 section shall be repaid to the state from moneys of the authority at

826 such time as such moneys are not required for any other of its
827 corporate purposes and in any event shall be repaid to the state on the
828 date one year after all bonds and notes of the authority theretofore
829 issued on the date or dates such amount or amounts are allotted and
830 paid to the authority or thereafter issued, together with interest on
831 such bonds and notes, with interest on any unpaid installments of
832 interest and all costs and expenses in connection with any action or
833 proceeding by or on behalf of the holders thereof, are fully met and
834 discharged. Notwithstanding any other provisions contained in said
835 sections, the aggregate amount of bonds secured by such special
836 capital reserve funds authorized to be created and established by this
837 section, shall not exceed four hundred fifty million dollars. Only
838 electric generation projects may be assisted or financed by such bonds
839 and the proceeds of such bonds shall not be used for such purpose
840 unless the authority is of the opinion and determines that the revenues
841 derived from the electric generation project or projects shall be
842 sufficient (A) to pay the applicable principal of and interest on the
843 bonds, the proceeds of which are used to finance the electric
844 generation project or projects, (B) to establish, increase and maintain
845 any reserves deemed by the authority to be advisable to secure the
846 payment of the principal of and interest on such bonds, (C) unless the
847 contract with a person obligates such person to pay for the
848 maintenance and insurance of the electric generation project, to pay the
849 cost of maintaining the electric generation project in good repair and
850 keeping it properly insured, and (D) to pay such other costs or taxes on
851 the electric generation project as may be required.

852 Sec. 14. (NEW) (*Effective October 1, 2009*) The state of Connecticut
853 does hereby pledge to and agree with the holders of any bonds and
854 notes issued under the provisions of sections 9 to 14, inclusive, of this
855 act, and with those parties who may enter into contracts with the
856 Connecticut Electric Authority or its successor agency, that the state
857 will not limit or alter the rights hereby vested in the authority until
858 such obligations, together with the interest thereon, are fully met and
859 discharged and such contracts are fully performed on the part of the

860 authority, provided nothing contained herein shall preclude such
861 limitation or alteration if and when adequate provision shall be made
862 by law for the protection of the holders of such bonds and notes of the
863 authority or those entering into such contracts with the authority. The
864 authority may include this pledge and undertaking for the state in
865 such bonds and notes or contracts.

866 Sec. 15. Subsection (c) of section 16-244c of the general statutes is
867 repealed and the following is substituted in lieu thereof (*Effective*
868 *October 1, 2009*):

869 (c) (1) On and after January 1, 2007, each electric distribution
870 company shall provide electric generation services through standard
871 service to any customer who (A) does not arrange for or is not
872 receiving electric generation services from an electric supplier, and (B)
873 does not use a demand meter or has a maximum demand of less than
874 five hundred kilowatts.

875 (2) Not later than October 1, 2006, and periodically as required by
876 subdivision (3) of this subsection, but not more often than every
877 calendar quarter, the Department of Public Utility Control shall
878 establish the standard service price for such customers pursuant to
879 subdivision (3) of this subsection. Each electric distribution company
880 shall recover the actual net costs of procuring and providing electric
881 generation services pursuant to this subsection, provided such
882 company mitigates the costs it incurs for the procurement of electric
883 generation services for customers who are no longer receiving service
884 pursuant to this subsection.

885 (3) An electric distribution company providing electric generation
886 services pursuant to this subsection shall mitigate the variation of the
887 price of the service offered to its customers by procuring electric
888 generation services contracts in the manner prescribed in a plan
889 approved by the department. Such plan shall require the procurement
890 of a portfolio of service contracts sufficient to meet the projected load
891 of the electric distribution company. Such plan shall require that the

892 portfolio of service contracts be procured in an overlapping pattern of
893 fixed periods at such times and in such manner and duration as the
894 department determines to be most likely to produce just, reasonable
895 and reasonably stable retail rates while reflecting underlying
896 wholesale market prices over time. The portfolio of contracts shall be
897 assembled in such manner as to invite competition; guard against
898 favoritism, improvidence, extravagance, fraud and corruption; and
899 secure a reliable electricity supply while avoiding unusual, anomalous
900 or excessive pricing. The portfolio of contracts procured under such
901 plan shall be for terms of not less than six months, provided contracts
902 for shorter periods may be procured under such conditions as the
903 department shall prescribe to (A) ensure the lowest rates possible for
904 end-use customers; (B) ensure reliable service under extraordinary
905 circumstances; and (C) ensure the prudent management of the contract
906 portfolio. An electric distribution company may receive a bid for an
907 electric generation services contract from any of its generation entities
908 or affiliates, provided such generation entity or affiliate submits its bid
909 the business day preceding the first day on which an unaffiliated
910 electric supplier may submit its bid and further provided the electric
911 distribution company and the generation entity or affiliate are in
912 compliance with the code of conduct established in section 16-244h.

913 (4) The [department] Connecticut Electric Authority, in consultation
914 with the Office of Consumer Counsel, shall retain the services of a
915 third-party entity with expertise in the area of energy procurement to
916 oversee the initial development of the request for proposals and the
917 procurement of contracts by an electric distribution company for the
918 provision of electric generation services offered pursuant to this
919 subsection. Costs associated with the retention of such third-party
920 entity shall be included in the cost of electric generation services that is
921 included in such price.

922 (5) Each bidder for a standard service contract shall submit its bid to
923 the electric distribution company and the third-party entity who shall
924 jointly review the bids, conduct a cost-based analysis of such bids and
925 submit an overview of all bids together with a joint recommendation

926 to the [department] authority as to the preferred bidders. The authority
927 shall make available to the Office of Consumer Counsel and the
928 Attorney General all bids it receives pursuant to this subsection,
929 provided the Office of Consumer Counsel and the Attorney General
930 shall not make the bids available to the public until the authority does
931 so pursuant to subdivision (6) of this subsection, except that the
932 Attorney General may share such information if such action is
933 necessary for any law enforcement purposes. The [department]
934 authority may, [within] not later than ten business days [of] after
935 submission of the overview, reject the recommendation regarding
936 preferred bidders if the bids are not in the best interest of the electric
937 distribution company's customers. In analyzing the bids, the authority
938 shall determine if they are consistent with the state's integrated
939 resource plan. In the event that the department rejects the preferred
940 bids, the electric distribution company and the third-party entity shall
941 rebid the service pursuant to this subdivision.

942 (6) Upon the authority's approval of the preferred bids, the electric
943 distribution company shall enter into contracts with approved bidders
944 in accordance with contract terms established by the authority. All bids
945 received by the authority during the procurement process shall be
946 available for public review three months after authority rejection
947 provided such information regarding the bidders not selected shall be
948 presented in a manner that conceals the identities of such bidders.

949 (7) Not later than October 1, 2010, and biennially thereafter, the
950 department shall conduct a contested case proceeding in accordance
951 with chapter 54 to review the efficacy of the contract procurement
952 process held pursuant to this subsection.

953 Sec. 16. (NEW) (*Effective October 1, 2009*) If, on or after July 1, 2010,
954 the Connecticut Electric Authority does not receive and approve
955 proposals pursuant to the request for proposals process established in
956 subsection (c) of section 16-244c of the general statutes, as amended by
957 this act, sufficient to reach the state's goal, the authority shall conduct a
958 contested case proceeding, in accordance with chapter 54 of the

959 general statutes, to perform a needs assessment to determine the total
960 amount and type of energy resource needs, if any, that remain
961 unaddressed. If the authority determines that such needs have been
962 unaddressed, the authority shall conduct a contested case proceeding
963 to determine the costs and benefits of the authority serving as the
964 builder or provider of last resort for the shortfall of megawatts from
965 such request for proposal process, and may issue a request for
966 proposals, pursuant to subsection (c) of section 16-244c of the general
967 statutes, as amended by this act, to electric distribution companies to
968 address the shortfall of new, expanded or repowered eligible
969 generation, including baseload, peaking, renewable, conservation and
970 demand response electric power. Each electric distribution company
971 shall be entitled to recover its prudently incurred costs of such project,
972 including, but not limited to, capital costs, operation and maintenance
973 expenses, depreciation, fuel costs, taxes and other governmental
974 charges, and a reasonable rate of return on equity. The authority shall
975 review such recovery of costs consistent with the principles set forth in
976 sections 16-19, 16-19b and 16-19e of the general statutes, as amended
977 by this act, provided the return on equity associated with such project
978 shall be established in the initial annual contested case proceeding
979 under this section and updated at least once every four years. The
980 authority may request that the electric distribution company
981 submitting a proposal submit further information that the authority
982 determines to be in the public interest, which the authority may use in
983 evaluating the proposal.

984 Sec. 17. (NEW) (*Effective October 1, 2009*) (a) The chairperson of the
985 Connecticut Electric Authority, with the consent of two or more other
986 members of the authority, shall appoint an executive director, who
987 shall be the chief administrative officer of the Connecticut Electric
988 Authority. Said chairperson shall supervise the executive director, who
989 shall serve for a four-year term and annually receive a salary equal to
990 that established for management pay plan salary group seventy-two
991 by the Commissioner of Administrative Services. The executive
992 director (1) shall conduct comprehensive planning with respect to the

993 functions of the authority; (2) shall coordinate the activities of the
994 authority; (3) shall cause the administrative organization of the
995 authority to be examined with a view to promoting economy and
996 efficiency; (4) shall, in concurrence with the chairperson of the
997 authority, organize the authority into such divisions, bureaus or other
998 units as he deems necessary for the efficient conduct of the business of
999 the authority and may from time to time abolish, transfer or
1000 consolidate within the authority, any division, bureau or other units as
1001 may be necessary for the efficient conduct of the business of the
1002 authority, provided such organization shall include any division,
1003 bureau or other unit which is specifically required by the general
1004 statutes; (5) may enter into such contractual agreements, in accordance
1005 with established procedures, as may be necessary for the discharge of
1006 his duties; and (6) may, subject to the provisions of section 4-32 of the
1007 general statutes, and unless otherwise provided by law, receive any
1008 money, revenue or services from the federal government, corporations,
1009 associations or individuals, including payments from the sale of
1010 printed matter or any other material or services. The executive director
1011 shall require the staff of the authority to have expertise in public utility
1012 engineering and accounting, finance, economics, computers and rate
1013 design. Subject to the provisions of chapter 67 of the general statutes
1014 and within available funds in any fiscal year, the executive director
1015 may appoint a secretary and may employ such accountants, clerical
1016 assistants, engineers, inspectors, experts, consultants and agents as the
1017 department may require.

1018 (b) No member of the authority or employee of the authority shall,
1019 while serving as such, have any interest, financial or otherwise, direct
1020 or indirect, or engage in any business, employment, transaction or
1021 professional activity, or incur any obligation of any nature, which is in
1022 substantial conflict with the proper discharge of his duties or
1023 employment in the public interest and of his responsibilities as
1024 prescribed in the laws of this state, as defined in section 1-85 of the
1025 general statutes; provided no such substantial conflict shall be deemed
1026 to exist solely by virtue of the fact that a member of the authority or

1027 employee of the authority, or any business in which such a person has
1028 an interest, receives utility service from one or more Connecticut
1029 utilities under the normal rates and conditions of service.

1030 (c) No member of the authority or employee of the authority shall
1031 accept other employment that will either impair his independence of
1032 judgment as to his official duties or employment or require him, or
1033 induce him, to disclose confidential information acquired by him in the
1034 course of and by reason of his official duties.

1035 (d) No member of the authority or employee of the authority shall
1036 wilfully and knowingly disclose, for pecuniary gain, confidential
1037 information acquired in the course of and by reason of official duties or
1038 employment or use any such information for the purpose of pecuniary
1039 gain.

1040 (e) No member of the authority or employee of the authority shall
1041 agree to accept, or be in partnership or association with any person, or
1042 a member of a professional corporation or in membership with any
1043 union or professional association which partnership, association,
1044 professional corporation, union or professional association agrees to
1045 accept any employment, fee or other thing of value, or portion thereof,
1046 in consideration of his appearing, agreeing to appear, or taking any
1047 other action on behalf of another person before the authority, the
1048 Connecticut Siting Council, the Office of Policy and Management or
1049 the Commissioner of Environmental Protection.

1050 (f) No member of the authority shall, for a period of one year
1051 following the termination of his or her service as a member, accept
1052 employment: (1) By a public service company or by any person, firm or
1053 corporation engaged in lobbying activities with regard to
1054 governmental regulation of public service companies; or (2) by an
1055 electric supplier or by any person, firm or corporation engaged in
1056 lobbying activities with regard to governmental regulation of electric
1057 suppliers. No such member who is also an attorney shall in any
1058 capacity, appear or participate in any matter, or accept any

1059 compensation regarding a matter, before the authority, for a period of
1060 one year following the termination of his or her service as a member.

1061 Sec. 18. Section 16-4 of the general statutes is repealed and the
1062 following is substituted in lieu thereof (*Effective October 1, 2009*):

1063 No officer, employee, attorney or agent of any public service
1064 company, of any certified telecommunications provider or of any
1065 electric supplier shall be a member of the Public Utilities Control
1066 Authority or the Connecticut Electric Authority or an employee of the
1067 Department of Public Utility Control or the Connecticut Electric
1068 Authority.

1069 Sec. 19. Subsection (a) of section 16a-3 of the general statutes is
1070 repealed and the following is substituted in lieu thereof (*Effective*
1071 *October 1, 2009*):

1072 (a) There is established a Connecticut Energy Advisory Board
1073 consisting of [fifteen] sixteen members, including the Commissioner of
1074 Environmental Protection, the chairperson of the Public Utilities
1075 Control Authority, the chairperson of the Connecticut Electric
1076 Authority, the Commissioner of Transportation, the Consumer
1077 Counsel, the Commissioner of Agriculture, and the Secretary of the
1078 Office of Policy and Management, or their respective designees. The
1079 Governor shall appoint a representative of an environmental
1080 organization knowledgeable in energy efficiency programs, a
1081 representative of a consumer advocacy organization and a
1082 representative of a state-wide business association. The president pro
1083 tempore of the Senate shall appoint a representative of a chamber of
1084 commerce, a representative of a state-wide manufacturing association
1085 and a member of the public considered to be an expert in electricity,
1086 generation, procurement or conservation programs. The speaker of the
1087 House of Representatives shall appoint a representative of low-income
1088 ratepayers, a representative of state residents, in general, with
1089 expertise in energy issues and a member of the public considered to be
1090 an expert in electricity, generation, procurement or conservation

1091 programs. All appointed members shall serve in accordance with
1092 section 4-1a. No appointee may be employed by, or a consultant of, a
1093 public service company, as defined in section 16-1, or an electric
1094 supplier, as defined in section 16-1, or an affiliate or subsidiary of such
1095 company or supplier.

1096 Sec. 20. Subsection (f) of section 22a-198 of the general statutes is
1097 repealed and the following is substituted in lieu thereof (*Effective*
1098 *October 1, 2009*):

1099 (f) The Commissioner of Environmental Protection, in consultation
1100 with the chairperson of the [Public Utilities Control] Connecticut
1101 Electric Authority, may suspend the prohibition of subsection (b) of
1102 this section for a Title IV source if it is determined that the application
1103 of the prohibition established under subsection (b) of this section
1104 adversely affects the ability to meet the reliability standards, as defined
1105 by the New England Power Pool or its successor organization, and the
1106 suspension thereof is intended to mitigate such reliability problems.
1107 The Commissioner of Environmental Protection, in consultation with
1108 the chairperson of the [Public Utilities Control] Connecticut Electric
1109 Authority, shall specify in writing the reasons for such suspension and
1110 the period of time that such suspension shall be in effect and shall
1111 provide notice of such suspension at the time of issuance, or the next
1112 business day, to the joint standing committees of the General
1113 Assembly having cognizance of matters relating to the environment
1114 and energy and technology. No such waiver shall last more than thirty
1115 days. The commissioner may reissue additional waivers for such
1116 source after said initial waiver has expired. Within ten days of receipt
1117 of the commissioner's notice of suspension, the committees having
1118 cognizance of matters relating to the environment and energy and
1119 technology may hold a joint public hearing and meeting of the
1120 committees to either modify or reject the commissioner's suspension
1121 by a majority vote. If the committees do not meet, the commissioner's
1122 suspension shall be deemed approved.

1123 Sec. 21. (NEW) (*Effective October 1, 2009*) (a) The Connecticut Electric

1124 Authority may participate in proceedings before agencies of the
1125 federal government and the federal courts on matters affecting electric
1126 distribution companies, as defined in section 16-1 of the general
1127 statutes, electric suppliers, as defined in said section 16-1, or exempt
1128 wholesale generators, as defined in said section 16-1.

1129 (b) For any proceeding before the Federal Energy Regulatory
1130 Commission, the United States Department of Energy or the United
1131 States Nuclear Regulatory Commission, or appeal thereof, the
1132 Attorney General, upon request of the Connecticut Electric Authority,
1133 may retain outside legal counsel in accordance with section 3-125 of
1134 the general statutes to participate in such proceedings on behalf of the
1135 department. All reasonable and proper expenses of such outside legal
1136 counsel shall be borne by the electric distribution companies, electric
1137 suppliers, or exempt wholesale generators affected by the decisions of
1138 such proceedings and shall be paid at such times and in such manner
1139 as the Connecticut Electric Authority directs, provided such expenses
1140 shall be apportioned in proportion to the revenues of each affected
1141 entity as reported to the Department of Public Utility Control for
1142 purposes of section 16-49 of the general statutes for the most recent
1143 period, and provided further such expenses shall not exceed two
1144 hundred fifty thousand dollars per proceeding, including any appeals
1145 thereof, in any calendar year unless the department finds good cause
1146 for exceeding the limit and the affected entities have an opportunity,
1147 after reasonable notice, to comment on the proposed overage. The
1148 Department of Public Utility Control shall recognize all such legal
1149 expenses as proper business expenses of the affected entities for rate-
1150 making purposes pursuant to section 16-19e of the general statutes, as
1151 amended by this act, if applicable.

1152 Sec. 22. Subsection (a) of section 4-65a of the general statutes is
1153 repealed and the following is substituted in lieu thereof (*Effective*
1154 *October 1, 2009*):

1155 (a) There shall be an Office of Policy and Management which shall
1156 be responsible for all aspects of state staff planning and analysis in the

1157 areas of budgeting, management, planning, energy policy
 1158 determination and evaluation, except to the extent such policies are
 1159 delegated to the Connecticut Electric Authority, intergovernmental
 1160 policy, criminal and juvenile justice planning and program evaluation.
 1161 The department head shall be the Secretary of the Office of Policy and
 1162 Management, who shall be appointed by the Governor in accordance
 1163 with the provisions of sections 4-5, as amended by this act, 4-6, 4-7 and
 1164 4-8, with all the powers and duties therein prescribed. The Secretary of
 1165 the Office of Policy and Management shall be the employer
 1166 representative (1) in collective bargaining negotiations concerning
 1167 changes to the state employees retirement system and health and
 1168 welfare benefits, and (2) in all other matters involving collective
 1169 bargaining, including negotiation and administration of all collective
 1170 bargaining agreements and supplemental understandings between the
 1171 state and the state employee unions concerning all executive branch
 1172 employees except (A) employees of the Division of Criminal Justice,
 1173 and (B) faculty and professional employees of boards of trustees of
 1174 constituent units of the state system of higher education. The secretary
 1175 may designate a member of the secretary's staff to act as the employer
 1176 representative in the secretary's place.

1177 Sec. 23. Subdivision (2) of subsection (e) of section 4a-57 of the
 1178 general statutes is repealed and the following is substituted in lieu
 1179 thereof (*Effective October 1, 2009*):

1180 (2) Any purchase of or contract by the department for electric
 1181 generation services that are subject to competitive bidding and
 1182 competitive negotiations shall be conducted in cooperation with the
 1183 [Office of Policy and Management] Connecticut Electric Authority
 1184 pursuant to section 16a-14e.

1185 Sec. 24. Section 8-37jj of the general statutes is repealed and the
 1186 following is substituted in lieu thereof (*Effective October 1, 2009*):

1187 (a) The Department of Economic and Community Development
 1188 may not approve electric resistance as the primary heat source in new,

1189 subsidized housing except where justified by a life-cycle cost analysis
1190 whose methodology has been approved by the [division of the Office
1191 of Policy and Management responsible for energy matters]
1192 Connecticut Electric Authority.

1193 (b) If the Department of Economic and Community Development or
1194 the Connecticut Housing Finance Authority uses electric resistance
1195 space heating as the primary heating source in any new construction, it
1196 shall construct the unit in such a way as to be eligible for any available
1197 energy conservation incentives provided by the electric company, as
1198 defined in section 16-1, or the municipal utility furnishing electric
1199 service to such unit.

1200 Sec. 25. Subsection (f) of section 13a-110a of the general statutes is
1201 repealed and the following is substituted in lieu thereof (*Effective*
1202 *October 1, 2009*):

1203 (f) The provisions of this section shall not apply to the installation or
1204 replacement of luminaires for which the [Secretary of the Office of
1205 Policy and Management] Connecticut Electric Authority (1) conducts a
1206 life-cycle cost analysis of one or more luminaires which meet the
1207 requirements set forth in subsection (b) of this section and one or more
1208 luminaires which do not meet such requirements, and (2) certifies that
1209 a luminaire which meets such requirements is not cost effective and is
1210 not the most appropriate alternative based on the life-cycle cost
1211 analysis.

1212 Sec. 26. Section 16-19e of the general statutes is repealed and the
1213 following is substituted in lieu thereof (*Effective October 1, 2009*):

1214 (a) In the exercise of its powers under the provisions of this title, the
1215 Department of Public Utility Control shall examine and regulate the
1216 transfer of existing assets and franchises, the expansion of the plant
1217 and equipment of existing public service companies, the operations
1218 and internal workings of public service companies and the
1219 establishment of the level and structure of rates in accordance with the
1220 following principles: (1) That there is a clear public need for the service

1221 being proposed or provided; (2) that the public service company shall
1222 be fully competent to provide efficient and adequate service to the
1223 public in that such company is technically, financially and
1224 managerially expert and efficient; (3) that the department and all
1225 public service companies shall perform all of their respective public
1226 responsibilities with economy, efficiency and care for public safety and
1227 energy security, and so as to promote economic development within
1228 the state with consideration for energy and water conservation, energy
1229 efficiency and the development and utilization of renewable sources of
1230 energy and for the prudent management of the natural environment;
1231 (4) that the level and structure of rates be sufficient, but no more than
1232 sufficient, to allow public service companies to cover their operating
1233 costs including, but not limited to, appropriate staffing levels, and
1234 capital costs, to attract needed capital and to maintain their financial
1235 integrity, and yet provide appropriate protection to the relevant public
1236 interests, both existing and foreseeable which shall include, but not be
1237 limited to, reasonable costs of security of assets, facilities and
1238 equipment that are incurred solely for the purpose of responding to
1239 security needs associated with the terrorist attacks of September 11,
1240 2001, and the continuing war on terrorism; (5) that the level and
1241 structure of rates charged customers shall reflect prudent and efficient
1242 management of the franchise operation; and (6) that the rates, charges,
1243 conditions of service and categories of service of the companies not
1244 discriminate against customers which utilize renewable energy sources
1245 or cogeneration technology to meet a portion of their energy
1246 requirements.

1247 (b) The Department of Public Utility Control shall promptly
1248 undertake a separate, general investigation of, and shall hold at least
1249 one public hearing on new pricing principles and rate structures for
1250 electric companies and for gas companies to consider, without
1251 limitation, long run incremental cost of marginal cost pricing, peak
1252 load or time of day pricing and proposals for optimizing the utilization
1253 of energy and restraining its wasteful use and encouraging energy
1254 conservation, and any other matter with respect to pricing principles

1255 and rate structures as the department shall deem appropriate. The
1256 department shall determine whether existing or future rate structures
1257 place an undue burden upon those persons of poverty status and shall
1258 make such adjustment in the rate structure as is necessary or desirable
1259 to take account of their indigency. The department shall require the
1260 utilization of such new principles and structures to the extent that the
1261 department determines that their implementation is in the public
1262 interest and necessary or desirable to accomplish the purposes of this
1263 provision without being unfair or discriminatory or unduly
1264 burdensome or disruptive to any group or class of customers, and
1265 determines that such principles and structures are capable of yielding
1266 required revenues. In reviewing the rates and rate structures of electric
1267 and gas companies, the department shall take into consideration
1268 appropriate energy policies, including those of the state as expressed
1269 in subsection (c) of this section. The authority shall issue its initial
1270 findings on such investigation by December 1, 1976, and its final
1271 findings and order by June 1, 1977; provided that after such final
1272 findings and order are issued, the department shall at least once every
1273 two years undertake such further investigations as it deems
1274 appropriate with respect to new developments or desirable
1275 modifications in pricing principles and rate structures and, after
1276 holding at least one public hearing thereon, shall issue its findings and
1277 order thereon.

1278 (c) The Department of Public Utility Control shall consult at least
1279 once each year with the Commissioner of Environmental Protection,
1280 the Connecticut Siting Council, the Connecticut Electric Authority and
1281 the Office of Policy and Management, so as to coordinate and integrate
1282 its actions, decisions and policies pertaining to gas and electric
1283 companies, so far as possible, with the actions, decisions and policies
1284 of said other agencies and instrumentalities in order to further the
1285 development and optimum use of the state's energy resources and
1286 conform to the greatest practicable extent with the state energy policy
1287 as stated in section 16a-35k, taking into account prudent management
1288 of the natural environment and continued promotion of economic

1289 development within the state. In the performance of its duties, the
1290 department shall take into consideration the energy policies of the
1291 state as expressed in this subsection and in any annual reports
1292 prepared or filed by such other agencies and instrumentalities, and
1293 shall defer, as appropriate, to any actions taken by such other agencies
1294 and instrumentalities on matters within their respective jurisdictions.

1295 (d) The Commissioner of Environmental Protection, the
1296 Commissioner of Economic and Community Development, the
1297 Connecticut Siting Council and the Office of Policy and Management
1298 shall be made parties to each proceeding on a rate amendment
1299 proposed by a gas, electric or electric distribution company based
1300 upon an alleged need for increased revenues to finance an expansion
1301 of capital equipment and facilities, and shall participate in such
1302 proceedings to the extent necessary. The Connecticut Electric
1303 Authority shall be made a party to such proceedings involving electric
1304 distribution companies.

1305 (e) The Department of Public Utility Control, in a proceeding on a
1306 rate amendment proposed by an electric distribution company based
1307 upon an alleged need for increased revenues to finance an expansion
1308 of the capacity of its electric distribution system, shall determine
1309 whether demand-side management would be more cost-effective in
1310 meeting any demand for electricity for which the increase in capacity is
1311 proposed.

1312 (f) The provisions of this section shall not apply to the regulation of
1313 a telecommunications service which is a competitive service, as
1314 defined in section 16-247a, or to a telecommunications service to which
1315 an approved plan for an alternative form of regulation applies,
1316 pursuant to section 16-247k.

1317 (g) The department may, upon application of any gas or electric
1318 public service company, which has, as part of its existing rate plan, an
1319 earnings sharing mechanism, modify such rate plan to allow the gas or
1320 electric public service company, after a hearing that is conducted as a

1321 contested case, in accordance with chapter 54, to include in its rates the
1322 reasonable costs of security of assets, facilities, and equipment, both
1323 existing and foreseeable, that are incurred solely for the purpose of
1324 responding to security needs associated with the terrorist attacks of
1325 September 11, 2001, and the continuing war on terrorism.

1326 Sec. 27. Section 16-243k of the general statutes is repealed and the
1327 following is substituted in lieu thereof (*Effective October 1, 2009*):

1328 Not later than January [1, 2007, and annually thereafter, the
1329 Department of Public Utility Control] first, annually, the Connecticut
1330 Electric Authority shall assess the number and types of customer-side
1331 and grid-side distributed resources, as defined in section 16-1, projects
1332 financed pursuant to the provisions of public act 05-1 of the June
1333 special session* and such projects' contributions to achieving fuel
1334 diversity, transmission support, and energy independence in the state.
1335 Not later than January 1, [2007] 2011, and biennially thereafter, the
1336 [department] authority shall collect the information in such annual
1337 assessments and report, in accordance with the provisions of section
1338 11-4a, on the effectiveness of the award program established in section
1339 16-243i and on its findings to the joint standing committee of the
1340 General Assembly having cognizance of matters relating to energy.

1341 Sec. 28. Subsection (m) of section 16-243m of the general statutes is
1342 repealed and the following is substituted in lieu thereof (*Effective*
1343 *October 1, 2009*):

1344 (m) An electric distribution company may not submit a proposal
1345 under this section on or after February 1, 2011. On or before January 1,
1346 2010, the [department] Connecticut Electric Authority shall submit a
1347 report, in accordance with section 11-4a, to the joint standing
1348 committee of the General Assembly having cognizance of matters
1349 relating to energy with a recommendation as to whether the period
1350 during which such company may submit proposals under this section
1351 should be extended.

1352 Sec. 29. Subsection (b) of section 16-244d of the general statutes is

1353 repealed and the following is substituted in lieu thereof (*Effective*
1354 *October 1, 2009*):

1355 (b) There shall be established a Consumer Education Advisory
1356 Council which shall advise the outreach program coordinator on the
1357 development and implementation of the outreach program until the
1358 termination of the standard offer under section 16-244c, as amended by
1359 this act. Membership of the advisory council shall be established by the
1360 Consumer Counsel not later than December 1, 1998, and shall include,
1361 but not be limited to, representatives of the Department of Public
1362 Utility Control, the Office of Consumer Counsel, the Office of the
1363 Attorney General, the Office of Policy and Management, the
1364 Connecticut Electric Authority, the Department of Environmental
1365 Protection, community and business organizations, consumer groups,
1366 including, but not limited to, a group that represents hardship
1367 customers, as defined in section 16-262c, as amended by this act,
1368 electric distribution companies and electric suppliers. The advisory
1369 council shall determine the information to be distributed to customers
1370 as part of the education effort such as customers' rights and obligations
1371 in a restructured environment, how customers can exercise their right
1372 to participate in retail access, the types of electric suppliers expected to
1373 be licensed including the possibility of load aggregation, electric
1374 generation services options that will be available, the environmental
1375 characteristics of different types of generation facilities and other
1376 information determined by the advisory council to be necessary for
1377 customers. The advisory council shall advise the outreach program
1378 coordinator on the methods of distributing information in accordance
1379 with subsection (a) of this section and the timing of such distribution.
1380 The advisory council shall meet on a regular basis and report to the
1381 outreach program coordinator as it deems appropriate until
1382 termination of the advisory council's role upon the termination of the
1383 standard offer under section 16-244c, as amended by this act.

1384 Sec. 30. Subdivision (5) of subsection (b) of section 16-262c of the
1385 general statutes is repealed and the following is substituted in lieu
1386 thereof (*Effective October 1, 2009*):

1387 (5) Each gas and electric distribution company shall submit to the
1388 Department of Public Utility Control annually, on or before July first,
1389 an implementation plan which shall include information concerning
1390 amortization agreements, counseling, reinstatement of eligibility, rate
1391 impacts and any other information deemed relevant by the
1392 department. The Department of Public Utility Control may, in
1393 consultation with the Office of Policy and Management and the
1394 Connecticut Electric Authority, approve or modify such plan within
1395 ninety days of receipt of the plan. If the department does not take any
1396 action on such plan within ninety days of its receipt, the plan shall
1397 automatically take effect at the end of the ninety-day period, provided
1398 the department may extend such period for an additional thirty days
1399 by notifying the company before the end of the ninety-day period. Any
1400 amount recovered by a company in its rates pursuant to this
1401 subsection shall not include any amount approved by the Department
1402 of Public Utility Control as an uncollectible expense. The department
1403 may deny all or part of the recovery required by this subsection if it
1404 determines that the company seeking recovery has been imprudent,
1405 inefficient or acting in violation of statutes or regulations regarding
1406 amortization agreements.

1407 Sec. 31. Section 16a-37f of the general statutes is repealed and the
1408 following is substituted in lieu thereof (*Effective October 1, 2009*):

1409 A budgeted agency, as defined in section 4-69, shall only purchase
1410 replacement light bulbs which (1) are provided under an electric
1411 company's customer lighting efficiency program, (2) are equivalent in
1412 energy efficiency to bulbs provided under such electric company
1413 lighting efficiency program, as determined by the [Secretary of the
1414 Office of Policy and Management] Connecticut Electric Authority, in
1415 consultation with the Commissioner of Administrative Services, or (3)
1416 meet such other life-cycle cost analysis standards as the [Secretary of
1417 the Office of Policy and Management] Connecticut Electric Authority,
1418 with the concurrence of the Commissioner of Administrative Services,
1419 may designate.

1420 Sec. 32. Section 16a-39 of the general statutes is repealed and the
1421 following is substituted in lieu thereof (*Effective October 1, 2009*):

1422 (a) As used in this section:

1423 (1) "Public building" means any building or portion thereof, other
1424 than an "exempted building", which is open to the public during
1425 normal business hours, including (A) any building which provides
1426 facilities or shelter for public assembly, (B) any inn, hotel, motel, sports
1427 arena, supermarket, transportation terminal, retail store, restaurant, or
1428 other commercial establishment which provides services or retails
1429 merchandise, and (C) any building owned or leased by the state of
1430 Connecticut or any political subdivision thereof, or by another state or
1431 political subdivision thereof and located in Connecticut, including
1432 libraries, museums, schools, hospitals, auditoriums, sports arenas and
1433 university buildings;

1434 (2) "Exempted building" means (A) any building whose peak design
1435 rate of energy usage for all purposes is less than one watt per square
1436 foot of floor area for all purposes, (B) any building with neither a
1437 heating nor cooling system, and (C) any building owned or leased in
1438 whole or in part by the United States; and

1439 [(3) "Commissioner" means the Commissioner of Public Works or
1440 his designee;

1441 (4) "Secretary" means the Secretary of the Office of Policy and
1442 Management or his designee; and]

1443 [(5)] (3) "Eligible building" means a building owned by a
1444 municipality, located within the state and not used for public
1445 education purposes.

1446 (b) The [commissioner] Commissioner of Public Works, after
1447 consultation with the [secretary] Connecticut Electric Authority and
1448 with such advisory board as said [secretary] authority may appoint,
1449 shall adopt, in accordance with chapter 54, regulations establishing

1450 lighting standards for all public buildings. The members of any such
1451 advisory board shall receive neither compensation nor expenses for the
1452 performance of their duties.

1453 (c) The lighting standards adopted pursuant to subsection (b) of this
1454 section shall provide for the maximum feasible energy efficiency of
1455 lighting equipment commensurate with other factors relevant to
1456 lighting levels and equipment, including, but not limited to, the
1457 purposes of the lighting, reasonable economic considerations in terms
1458 both of initial capital costs and of operating costs including nonenergy
1459 operating costs, reasonable budgetary considerations in terms of the
1460 feasibility of implementing changes which require a significant capital
1461 expenditure in a given time period, any constraints imposed on
1462 lighting equipment by the nature of the activities being carried out in
1463 the facility involved, considerations involving historic preservation or
1464 unusual architectural features, the amount of remaining useful lifetime
1465 which a particular structure would be expected to enjoy and the size of
1466 the building or portion of the building involved.

1467 (d) The [commissioner] Commissioner of Public Works shall, upon
1468 the adoption of the regulations required by subsection (b) of this
1469 section, make random inspections of public buildings to monitor
1470 compliance with the standards established by such regulations. The
1471 [commissioner] Commissioner of Public Works may also inspect any
1472 public buildings against which complaints alleging violation of such
1473 standards have been received. The operator of a public building or
1474 portion thereof shall provide access to such inspectors at any
1475 reasonable time, including all times during which the facility is open to
1476 the public. If an inspector is denied access to a public building for the
1477 purposes of making an inspection in accordance with the provisions of
1478 this section, the [commissioner] Commissioner of Public Works may
1479 apply to the superior court for the judicial district wherein such
1480 building is located for injunctive or other equitable relief. If upon
1481 inspection it is determined that the lighting levels in a public building
1482 do not conform to such standards, the inspector shall make available to
1483 the owner or operator of such building, information regarding such

standards and the economic and energy savings expected to result from compliance therewith. The owner or operator of a public building may, after having taken appropriate measures to render such building in compliance with such standards request a reinspection of such building by the [commissioner] Commissioner of Public Works. The [commissioner] Commissioner of Public Works may, upon such request or at his or her own discretion, conduct such reinspection and determine whether or not such building has been brought into compliance with such standards.

(e) The [commissioner] Commissioner of Public Works shall maintain a listing of all public buildings found to be in compliance with the lighting standards adopted pursuant to subsection (c) of this section.

(f) The [secretary] Connecticut Electric Authority may award lighting grants to municipalities for the purpose of improving the energy efficiency of lighting equipment in eligible buildings. All lighting grants shall be awarded based on an application, submitted by a municipality, which sets forth the lighting conservation measures to be implemented. Such measures shall meet the standards established pursuant to subsection (b) of this section and be consistent with the state energy policy, as set forth in section 16a-35k. When evaluating the applications submitted pursuant to this section and determining the amount of a lighting grant, the [secretary] Connecticut Electric Authority shall consider the energy savings and the payback period for the measures to be implemented and any other information which the [secretary] Connecticut Electric Authority deems relevant. The funds for lighting grants shall be provided from proceeds of bonds issued for such purpose. The amount of each grant shall be not less than five thousand dollars but not more than fifty thousand dollars, provided the [secretary] Connecticut Electric Authority may award grants of less than five thousand dollars or more than fifty thousand dollars if the [secretary] Connecticut Electric Authority finds good cause to do so. All public service company incentive payments contributed to any energy conservation project at an eligible building

1518 shall be applied to pay the principal cost of that project.

1519 Sec. 33. Section 16a-46a of the general statutes is repealed and the
1520 following is substituted in lieu thereof (*Effective October 1, 2009*):

1521 (a) The Secretary of the Office of Policy and Management, in
1522 consultation with the Connecticut Electric Authority, shall prepare and
1523 may from time to time amend a residential energy conservation service
1524 plan which implements the program established under section 16a-46,
1525 and which complies with applicable federal law. The residential
1526 energy conservation service plan shall include, but not be limited to, a
1527 designation of the classes of residential buildings that may receive low-
1528 cost energy audits during the period covered by the plan.

1529 (b) Prior to implementing any amendments to the residential energy
1530 conservation service plan, the secretary shall submit the plan or
1531 amendments to the joint standing committee of the General Assembly
1532 having cognizance of matters relating to energy planning and
1533 activities. The committee may approve or disapprove such plan or
1534 amendments at a meeting held not later than sixty days after receipt of
1535 the plan or amendments. If the committee takes no action with regard
1536 to the plan or amendments during such sixty-day period, they shall be
1537 deemed approved. Upon such approval, the secretary shall submit the
1538 plans or amendments to the United States Department of Energy.

1539 Sec. 34. Section 16a-46c of the general statutes is repealed and the
1540 following is substituted in lieu thereof (*Effective October 1, 2009*):

1541 The Department of Public Utility Control shall exercise its
1542 regulatory responsibilities as they relate to the residential energy
1543 conservation service program within any program guidelines
1544 established by the Secretary of the Office of Policy and Management in
1545 regulations adopted under section 16a-46 and in the plan authorized
1546 under section 16a-46a, as amended by this act. The secretary shall
1547 consult with the department and the Connecticut Electric Authority in
1548 the development of the program. The department, in consultation with
1549 the [secretary] chairperson of the Public Utilities Authority, may adopt

1550 regulations in accordance with chapter 54 concerning the conduct and
1551 administration of the program as it relates to the department's
1552 regulatory responsibilities.

1553 Sec. 35. Subsection (d) of section 16a-48 of the general statutes is
1554 repealed and the following is substituted in lieu thereof (*Effective*
1555 *October 1, 2009*):

1556 (d) (1) The office, in consultation with the Department of Public
1557 Utility Control and the Connecticut Electric Authority, shall adopt
1558 regulations, in accordance with the provisions of chapter 54, to
1559 implement the provisions of this section and to establish minimum
1560 energy efficiency standards for the types of new products set forth in
1561 subsection (b) of this section. The regulations shall provide for the
1562 following minimum energy efficiency standards:

1563 (A) Commercial clothes washers shall meet the requirements shown
1564 in Table P-3 of section 1605.3 of the California Code of Regulations,
1565 Title 20: Division 2, Chapter 4, Article 4;

1566 (B) Commercial refrigerators and freezers shall meet the August 1,
1567 2004, requirements shown in Table A-6 of said California regulation;

1568 (C) Illuminated exit signs shall meet the version 2.0 product
1569 specification of the "Energy Star Program Requirements for Exit Signs"
1570 developed by the United States Environmental Protection Agency;

1571 (D) Large packaged air-conditioning equipment having not more
1572 than seven hundred sixty thousand BTUs per hour of capacity shall
1573 meet a minimum energy efficiency ratio of 10.0 for units using both
1574 electric heat and air conditioning or units solely using electric air
1575 conditioning, and 9.8 for units using both natural gas heat and electric
1576 air conditioning;

1577 (E) Large packaged air-conditioning equipment having not less than
1578 seven hundred sixty-one thousand BTUs per hour of capacity shall
1579 meet a minimum energy efficiency ratio of 9.7 for units using both

1580 electric heat and air conditioning or units solely using electric air
1581 conditioning, and 9.5 for units using both natural gas heat and electric
1582 air conditioning;

1583 (F) Low voltage dry-type distribution transformers shall meet or
1584 exceed the energy efficiency values shown in Table 4-2 of the National
1585 Electrical Manufacturers Association Standard TP-1-2002;

1586 (G) Torchiere lighting fixtures shall not consume more than one
1587 hundred ninety watts and shall not be capable of operating with lamps
1588 that total more than one hundred ninety watts;

1589 (H) Traffic signal modules shall meet the product specification of
1590 the "Energy Star Program Requirements for Traffic Signals" developed
1591 by the United States Environmental Protection Agency that took effect
1592 in February, 2001, except where the department, in consultation with
1593 the Commissioner of Transportation, determines that such
1594 specification would compromise safe signal operation;

1595 (I) Unit heaters shall not have pilot lights and shall have either
1596 power venting or an automatic flue damper;

1597 (J) On or after January 1, 2009, residential furnaces and boilers
1598 purchased by the state shall meet or exceed the following annual fuel
1599 utilization efficiency: (i) For gas and propane furnaces, ninety per cent
1600 annual fuel utilization efficiency, (ii) for oil furnaces, eighty-three per
1601 cent annual fuel utilization efficiency, (iii) for gas and propane hot
1602 water boilers, eighty-four per cent annual fuel utilization efficiency,
1603 (iv) for oil-fired hot water boilers, eighty-four per cent annual fuel
1604 utilization efficiency, (v) for gas and propane steam boilers, eighty-two
1605 per cent annual fuel utilization efficiency, (vi) for oil-fired steam
1606 boilers, eighty-two per cent annual fuel utilization efficiency, and (vii)
1607 for furnaces with furnace air handlers, an electricity ratio of not more
1608 than 2.0, except air handlers for oil furnaces with a capacity of less than
1609 ninety-four thousand BTUs per hour shall have an electricity ratio of
1610 2.3 or less;

1611 (K) On or after January 1, 2010, metal halide lamp fixtures designed
1612 to be operated with lamps rated greater than or equal to one hundred
1613 fifty watts but less than or equal to five hundred watts shall not
1614 contain a probe-start metal halide lamp ballast;

1615 (L) Single-voltage external AC to DC power supplies manufactured
1616 on or after January 1, 2008, shall meet the energy efficiency standards
1617 of table U-1 of section 1605.3 of the January 2006 California Code of
1618 Regulations, Title 20, Division 2, Chapter 4, Article 4: Appliance
1619 Efficiency Regulations. This standard applies to single voltage AC to
1620 DC power supplies that are sold individually and to those that are sold
1621 as a component of or in conjunction with another product. This
1622 standard shall not apply to single voltage external AC to DC power
1623 supplies sold with products subject to certification by the United States
1624 Food and Drug Administration. A single-voltage external AC to DC
1625 power supply that is made available by a manufacturer directly to a
1626 consumer or to a service or repair facility after and separate from the
1627 original sale of the product requiring the power supply as a service
1628 part or spare part shall not be required to meet the standards in said
1629 table U-1 until five years after the effective dates indicated in the table;

1630 (M) On or after January 1, 2009, state regulated incandescent
1631 reflector lamps shall be manufactured to meet the minimum average
1632 lamp efficacy requirements for federally-regulated incandescent
1633 reflector lamps contained in 42 USC 6295(i)(1)(A). Each lamp shall
1634 indicate the date of manufacture;

1635 (N) On or after January 1, 2009, bottle-type water dispensers,
1636 commercial hot food holding cabinets, portable electric spas, walk-in
1637 refrigerators and walk-in freezers shall meet the efficiency
1638 requirements of section 1605.3 of the January 2006 California Code of
1639 Regulations, Title 20, Division 2, Chapter 4, Article 4: Appliance
1640 Efficiency Regulations. On or after January 1, 2010, residential pool
1641 pumps shall meet said efficiency requirements;

1642 (O) On or after January 1, 2009, pool heaters shall meet the

1643 efficiency requirements of sections 1605.1 and 1605.3 of the January
1644 2006 California Code of Regulations, Title 20, Division 2, Chapter 4,
1645 Article 4: Appliance Efficiency Regulations.

1646 (2) Such efficiency standards, where in conflict with the State
1647 Building Code, shall take precedence over the standards contained in
1648 the Building Code. Not later than July 1, 2007, and biennially
1649 thereafter, the office, in consultation with the Department of Public
1650 Utility Control, shall review and increase the level of such efficiency
1651 standards by adopting regulations in accordance with the provisions
1652 of chapter 54 upon a determination that increased efficiency standards
1653 would serve to promote energy conservation in the state and would be
1654 cost-effective for consumers who purchase and use such new products,
1655 provided no such increased efficiency standards shall become effective
1656 within one year following the adoption of any amended regulations
1657 providing for such increased efficiency standards.

1658 (3) The office, in consultation with the Department of Public Utility
1659 Control, shall adopt regulations, in accordance with the provisions of
1660 chapter 54, to designate additional products to be subject to the
1661 provisions of this section and to establish efficiency standards for such
1662 products upon a determination that such efficiency standards (A)
1663 would serve to promote energy conservation in the state, (B) would be
1664 cost-effective for consumers who purchase and use such new products,
1665 and (C) that multiple products are available which meet such
1666 standards, provided no such efficiency standards shall become
1667 effective within one year following their adoption pursuant to this
1668 subdivision.

1669 Sec. 36. Section 16-245z of the general statutes is repealed and the
1670 following is substituted in lieu thereof (*Effective October 1, 2009*):

1671 [Not later than October 1, 2005, the Department of Public Utility
1672 Control] The Connecticut Electric Authority and the Energy
1673 Conservation Management Board, established in section 16-245m, as
1674 amended by this act, shall establish links on their Internet web sites to

1675 the Energy Star program or successor program that promotes energy
1676 efficiency and each electric distribution company shall establish a link
1677 under its conservation programs on its Internet web site to the Energy
1678 Star program or such successor program.

1679 Sec. 37. Section 16-246e of the general statutes is repealed and the
1680 following is substituted in lieu thereof (*Effective October 1, 2009*):

1681 (a) The Governor may designate the [Department of Public Utility
1682 Control] Connecticut Electric Authority as the agent of the state,
1683 subject only to the limitation under subsection (b) of this section, to
1684 conduct negotiations and perform all acts necessary to procure electric
1685 power capacity, power output from such capacity or both from any
1686 out-of-state electric power producer, to transmit it to within the state
1687 and to sell or resell it on a nonprofit basis for distribution within the
1688 state to electric companies, as defined in section 16-1, municipal
1689 electric utilities established under chapter 101, municipal electric
1690 energy cooperatives organized under chapter 101a, membership
1691 electric cooperatives organized under chapter 597 and such other
1692 persons or entities as may be designated by the [governor] Governor.
1693 The [department] authority, if designated as such agent, shall arrange
1694 for the sale or resale of such power on an equitable basis and in such
1695 manner as it finds will most effectively promote the objectives of this
1696 title, chapters 101, 101a and 597, and section 16a-35k, subject to any
1697 conditions or limitations imposed by the out-of-state electric power
1698 producer selling such power. The [department] authority, if so
1699 designated, may also enter into any contracts or other arrangements
1700 for the sale or resale of such power for transmission outside the state if
1701 such sale or resale is reasonably incidental to and furthers the needs of
1702 the state and the purposes of this section.

1703 (b) The [department] authority shall submit any final action it takes
1704 under subsection (a) of this section to the Governor, who may, not later
1705 than sixty days after such submission, disapprove such action by
1706 notifying the [department] authority in writing of such disapproval
1707 and the reasons for it.

1708 Sec. 38. Subsection (e) of section 16-245m of the general statutes is
 1709 repealed. (*Effective October 1, 2009*)

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2009</i>	4-5
Sec. 2	<i>October 1, 2009</i>	1-120
Sec. 3	<i>October 1, 2009</i>	1-79(l)
Sec. 4	<i>October 1, 2009</i>	New section
Sec. 5	<i>October 1, 2009</i>	16a-3b
Sec. 6	<i>October 1, 2009</i>	16a-3c
Sec. 7	<i>October 1, 2009</i>	16-245m
Sec. 8	<i>October 1, 2009</i>	16-245l
Sec. 9	<i>October 1, 2009</i>	New section
Sec. 10	<i>October 1, 2009</i>	New section
Sec. 11	<i>October 1, 2009</i>	New section
Sec. 12	<i>October 1, 2009</i>	New section
Sec. 13	<i>October 1, 2009</i>	New section
Sec. 14	<i>October 1, 2009</i>	New section
Sec. 15	<i>October 1, 2009</i>	16-244c(c)
Sec. 16	<i>October 1, 2009</i>	New section
Sec. 17	<i>October 1, 2009</i>	New section
Sec. 18	<i>October 1, 2009</i>	16-4
Sec. 19	<i>October 1, 2009</i>	16a-3(a)
Sec. 20	<i>October 1, 2009</i>	22a-198(f)
Sec. 21	<i>October 1, 2009</i>	New section
Sec. 22	<i>October 1, 2009</i>	4-65a(a)
Sec. 23	<i>October 1, 2009</i>	4a-57(e)(2)
Sec. 24	<i>October 1, 2009</i>	8-37jj
Sec. 25	<i>October 1, 2009</i>	13a-110a(f)
Sec. 26	<i>October 1, 2009</i>	16-19e
Sec. 27	<i>October 1, 2009</i>	16-243k
Sec. 28	<i>October 1, 2009</i>	16-243m(m)
Sec. 29	<i>October 1, 2009</i>	16-244d(b)
Sec. 30	<i>October 1, 2009</i>	16-262c(b)(5)
Sec. 31	<i>October 1, 2009</i>	16a-37f
Sec. 32	<i>October 1, 2009</i>	16a-39
Sec. 33	<i>October 1, 2009</i>	16a-46a
Sec. 34	<i>October 1, 2009</i>	16a-46c

Sec. 35	<i>October 1, 2009</i>	16a-48(d)
Sec. 36	<i>October 1, 2009</i>	16-245z
Sec. 37	<i>October 1, 2009</i>	16-246e
Sec. 38	<i>October 1, 2009</i>	Repealer section

ET *Joint Favorable Subst.*